

Response to Questions on the Retirement System Review

Request By: Supervisor McKay

Question: Have any other jurisdictions offered a local hybrid or defined contribution plan? If so, how are they meeting the two-thirds requirement?

Response: The City of Richmond provides a defined contribution plan to general employees hired on or after July 1, 2006. The plan is funded entirely by the employer, with an employer contribution rate that begins at 5 percent of compensation for employees with less than 5 years of service and gradually increases to 10 percent of compensation for employees with 15 or more years of service. It is unclear whether this plan has been evaluated against and/or meets the two-thirds requirement.

The City of Charlottesville allows employees to choose between a defined benefit plan and a defined contribution plan. In addition, the City of Roanoke provides employees with the choice of either a defined benefit plan or a hybrid plan. The two-thirds requirement is not applicable in these cases as the defined contribution and hybrid plans are offered as options alongside defined benefit plans.